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March - April 1987

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# Inside

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## LOTTERY LOGO CHOSEN

The Montana Lottery Commission, after running a statewide logo contest, has selected the winner. Steve LaRance and Kirk Johnson of the Artmill in Missoula submitted the winning design, which will appear on all official lottery materials and advertising.

The response to the contest was tremendous with more than 1,000 designs submitted. All entries were judged by a five-member screening committee, which narrowed the choice to four and then the top four entries were market tested by Mike Reilly, associate professor of marketing from

Montana State University. On March 27, members of the commission designated the Artmill design as its official logo. The two artists will receive a \$500 check for submitting the winning entry.

### Ticket outlets sought

The Montana Lottery is currently conducting informational meetings throughout the state for Montana retailers interested in becoming a licensed lottery ticket outlet. Any business in Montana may apply to sell tickets. State law, however, prohibits persons who have been convicted of a

felony or a gambling-related offense from selling tickets.

Application packets are available by calling the lottery office at 444-5825. Because of the detailed application process, all interested businesses are encouraged to apply as soon as possible in order to be licensed by the time the first tickets go on sale in July.

Inside Commerce is published six times a year as an informational and educational tool for Montanans interested in public policy implementation through the Department of Commerce.

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# In this issue

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Chartered

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# Perspectives

*James H. (Jim) Monger has been an industrial and airport consultant for the past 16 years. His company, Monger and Associates, conducts research and planning throughout the western United States including Alaska and is located at Gallatin Field near Belgrade. Monger is a civic leader in the Gallatin Valley and is active in promoting economic development locally and statewide.*

*A recent client, the Butler Creek Corporation, has consented to his telling their story.*



The primary mission of most industries, businesses and farms in Montana in the first half of the 1980s has been survival, and rightfully so. During times of economic strife, few businesses, regardless of their size, consider business expansion or relocation.

The Butler Creek Corporation of Belgrade, however, did just that. For nearly two decades it operated in a neighboring state, but decided to relocate to an area more receptive to manufacturing and where it could get financing in order to expand to meet market demands.

Butler Creek is a plastic injection manufacturer of a variety of sports products and in 1984 it went "shopping" for a new location. As one might imagine, when the word got out Butler Creek was courted by cities like Denver and Dallas; but because of college ties to Montana, Bill and Brad Heckerman, Butler Creek's president and vice president, looked toward Montana.

The Heckermans discussed their goals and objectives with the Department of Commerce and the state suggested they select an area that would be interested in providing a low interest loan through the Community Development Block Grant (CDBG) program. The Belgrade City Council was approached in July 1984 and asked if it was interested: it was.

What followed was a series of meetings between Butler Creek, the city, the Belgrade Credit Development Corporation, local bankers and the Department of Commerce. All parties were supportive. The CDBG approval was received early in 1985 along with an Industrial Revenue Bond secured through a local bank participating in the department's Economic Development Board program. The company was also able to participate in the Department of Labor and Industry's job training program. Construction began in the Bruce Industrial Park in Belgrade that spring and the new plant began operating in July 1985.

That was a busy year; it included finance planning, the grant application process, plant design, construction, and moving equipment from the former location. But the combination of finance methods and cooperating state agencies allowed Butler Creek to establish in Montana.

And, it has been a beneficial move for all involved. Just 18 months later the company has almost doubled the number of employees in its Belgrade plant and employs eight people who do sub-assembly work out of their homes. In 1987 the company expects gross sales to hit \$2 million and to have 25 employees working full time, which means new revenues to the city, county, and state in the form of taxes paid by the company and its employees. The fixed-rate, long-term financing was particularly important to Butler Creek for its future financial planning and the CDBG program allows the city of Belgrade to realize an annual loan repayment of more than \$15,000 that can be used for additional local economic development efforts.

Butler Creek products are sold in all 50 states and in 15 foreign markets. The company manufactures 17 products and more than 99 percent of its production is shipped out of Montana. In addition, the company holds seven patents—three which have been obtained since moving to Montana. By the end of 1989 the company expects to have 39 full-time employees and gross sales of \$3.25 million.

Brad Heckerman maintains that the key to Butler Creek's success in Montana lies with the high quality of its employees. Employee efforts merge with the company's own emphasis on quality control to produce products like rifle scope covers and camera lens covers that are in demand worldwide.

*James H. Monger*

# CONTRACTING OPPORTUNITIES FOR WOMEN

## \$200 Billion MegaMarketplace West

The Department of Commerce has recently learned of a national marketing opportunity that promises to assist women business owners in gaining access to government and private sector markets. Sponsored by the state of California, the U.S. Department of Commerce and the National Association of Women Business Owners, MegaMarketplace West is a national event to promote the growth of women-owned businesses.

On May 27 at the Los Angeles Convention Center, women business owners from across the country will have the opportunity to meet with procurement officials from federal, state and local agencies, as well as private companies doing business with the government. This forum will offer

women the opportunity to showcase and to market the wide variety of goods and services their firms have available for purchase.

Women now own more than 3 million of our nation's businesses and approximately 25% of all small businesses. The marketplace will help the country become more familiar with the capabilities and products women-owned businesses offer and it will allow these businesses to compete for national procurement contracts on a fair and open basis, allowing women business owners to capture their commensurate share of the market.

The registration fee is \$95 per person. Registration materials are available by writing or calling the Business Assistance Division at the

Department of Commerce or by contacting the MegaMarketplace office at the U.S. Department of Commerce at 202/377-0470 or 800/237-0209.

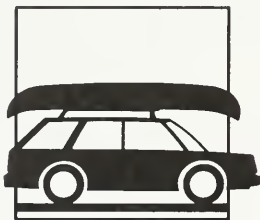
**MEGA  
MARKET  
PLACE**

**\$ \$ \$ \$ \$ \$**

**EAST/WEST  
1987**

## ENJOY A ROCKY MOUNTAIN SUMMER

The Montana Promotion Division is being buried in mail. John Wilson, administrator of the division, reports that requests for travel information are greater than projected. In fact, two part-time data entry assistants are now working nights to enter the requests into the division's computerized mailing list.



The division hopes that supplying vacation planners with information about the state will entice them to come to Montana. Potential travelers are reached with a highly targeted advertising campaign that includes a toll-free telephone number and a coupon that can be clipped and mailed to request more information. Once the lead is received by the division, a travel packet is mailed that includes a Vacation Guide, an Accommodations Guide (which lists hotels, motels, guest ranches and resorts), and a Highway Map.

Beginning in early February the information requests started to roll in at the rate of 200 phone calls, 500 letters, and 1,000 coupons per day. At least part of the interest is attributable to a pairing of Montana and Alberta in a cooperative advertising campaign. The state and province have placed a full page color advertisement in seven magazines including Travel-Holiday, Motorland, Field & Stream, Woman's Day, and Trailer Life that urges vacationers to "enjoy the best of the Canadian and American Rockies." The total circulation of the advertisement is almost 5 million while the campaign costs Montana less than \$70,000. Wilson believes that this cooperative

campaign is an excellent value because Montana and Alberta are premier destinations in the Rockies. "We are giving the traveler exactly the information they want at half the cost to the state," Wilson said.

In addition to its own advertising plans, Montana also participates in other cooperative marketing ventures with Wyoming and the Old West Trail Association, which includes Montana, Nebraska, North Dakota and South Dakota and Wyoming.

The summer travel planning season is just starting for the Montana Promotion Division. By midsummer the division expects to respond to more than 260,000 travel information requests.

**MONTANA**  
*naturally inviting!*

## NEW BANK CHARTERED

Keith Colbo, chairman of the State Banking Board and director of the Department of Commerce, announced on Friday, April 17, 1987, that a new bank charter was granted by the board for the Big Sky Western Bank. A condition of this approval is that the organizers obtain deposit insurance through the Federal Deposit Insurance

Gallatin Gateway, Mont.; Dennis L. Hardin, Bozeman, Mont., and Paul V. Brodt, Bozeman, Mont.

The board voted unanimously in favor of granting the charter after reviewing the findings of fact. Those findings included: (1) there is reasonable public necessity and demand for a new bank at the proposed location; (2) the bank will be owned and managed by persons of good moral character and financial integrity, and will be safely and soundly operated; (3) the initial capital structure of the proposed bank is adequate; (4) there is a persuasive showing that the new bank will have a sufficient volume of business to assure solvency, and (5) the establishment of the new bank will be in the public interest.

The bank's initial capital was set at \$850,000 and it will have five full-time employees. The certificate of authorization requires that the bank be in operation within one year from the date of approval.



Corporation. The organizers of the new bank are Robert L. Kester, Boca Raton, Fla.; Stewart R. Kester, Pompano Beach, Fla.; Lewis R. Spain, Bozeman, Mont.; Herbert A. Kern, Big Sky, Mont.; Michael N. Scholz,

## AWARDS ANNOUNCED

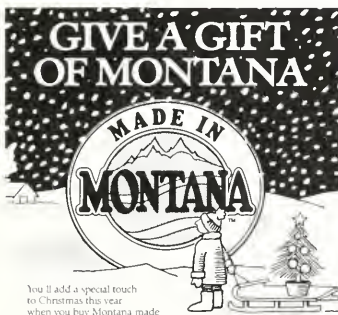
The Business Assistance Division in the Montana Department of Commerce was again a winner in the annual Montana ADDY Awards competition held February 14 in Billings.

awarded to the department for its animated Christmas TV spot, which encouraged shoppers to buy "Made-in-Montana" products as holiday gifts.

The Montana ADDY Awards is an annual statewide competition sponsored by the Montana Advertising Federation to recognize the best advertising created during the previous calendar year. Winners of the 1986 competition were selected from hundreds of entries by a multi-state panel of judges.

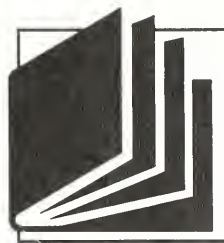
The MAX Award for the best newspaper campaign was also awarded to the department at the Spokane Advertising Federation awards ceremony on March 28. The "It's Always Friday in Montana" Wall Street Journal campaign was the winner—a series that was developed to create awareness of Montana as a desirable business location.

Wendt Advertising of Great Falls is the agency for the division.



The 1986 first place trophy in the public service television category was

*It's always Friday in*  
**MONTANA**



- The National Association of State Development Agencies (NASDA) has released the 1986 revised edition of information on each state's economic development programs. The *Directory of Incentives for Business Investment and Development in the United States: A State-by-State Guide*, published by The Urban Press, presents information on each state's business financing programs and development incentives.

For additional information contact NASDA, Hall of States, Suite 611, 444 North Capitol Street, N.W., Washington, D.C. 20001 or telephone 202/624-5411.

The following reports are available from the Department of Commerce:

- **Guide to Economic Development Programs**, January 1987. Contact the Business Assistance Division.
- **Report to the 50th Legislature**, Montana Department of Commerce, January 1987. Contact the Director's Office.
- **Governor's Council on Economic Development**, Recommendations to the Governor, January 1987. Contact the Office of Economic Analysis.
- **Montana Science & Technology Alliance**, 1986 Annual Report. Contact the Alliance staff.
- **Economic Conditions in Montana**, 1986. Contact the Office of Economic Analysis.
- **Montana Economic Development Board**, Annual Report. Contact the MEDB.

## BONDS SOLD

The MEDB's Intermediate Term Capital Program (INTERCAP) is now underway. A bond issue of \$6.5 million was sold March 4 at a 4.125% rate. This program lends money to cities and counties in Montana for the purchase of equipment, vehicles and modest building improvements, as well as to refinance outstanding loans for these items.

To date, 16 cities and counties have signed up to use \$3.6 million in INTERCAP funds. The requests cover a broad range of needs: Stillwater County plans to use the money to purchase a gravel crusher, Miles City will finance a street sweeper and Billings will use the INTERCAP to purchase underground gas storage tanks.



Approximately \$2.2 million is available for new loans. The INTERCAP loans have interest rates that will adjust annually. The first year's (through March 1, 1988) interest rate to the governments will not exceed 5.625%. This low rate is possible because of the Economic Development Board's ability to combine the finance needs of local governments into a single bond pool and take advantage of the economies of issuing bonds collectively. The Board of Investments also played a key role in achieving the lowest possible interest rate by providing bondholders with additional security.

For more information and a program packet write to David Ewer, Bond Program Manager, Montana Economic Development Board, 1520 East Sixth Avenue, Room 50, Helena, MT 59620 or call 444-2090.



## BOARD OF HOUSING HIRES ADMINISTRATOR

Department of Commerce Director Keith L. Colbo announced recently that Richard (Dick) Kain, Helena, was hired as administrator of the Board of Housing effective Monday, April 13, 1987.

Kain, who has been assistant administrator since August 1986, replaces Jay McLeod, who retired from state government the end of March 1987.

"I am very pleased to have Kain join the department in this capacity," Colbo said. "His background and capabilities will be strong assets in managing the division."

Prior to joining the department, Kain was a portfolio manager for the Board of Investments for 13 years. He is a C.P.A. and received a bachelor's degree in accounting from Carroll College, Helena.

The Board of Housing was created by the Montana Legislature in 1975 to provide decent and safe housing in the state to individuals and families of low and moderate income.

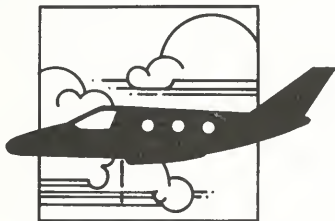
## COMMERCE EMPLOYEES SUPPORT UNITED WAY

Department of Commerce employees responded generously during the 1986 United Way Campaign, which spanned September, October and November 1986, and Director Keith Colbo was recently presented with a citation recognizing the department's support of the Lewis & Clark County United Way campaign effort. Department campaign coordinator, Alene Gorecki, said that 104 of the 225 employees based in Lewis and Clark County participated in the campaign, raising \$5,160 or 114% of the depart-

ment's goal. This year's effort was a 46% increase in participation over the 1985 campaign. Gorecki said that the average Commerce employee contribution was \$50, and that the state raised \$72,482—or 85% of its 1986 goal.

Colbo credits Bob Panchich, administrator of the Montana Economic Development Board and co-chair of the state government United Way effort, with helping to encourage Commerce employees to give so generously.

## AERONAUTICS CONFERENCE



The third Montana Aviation Conference, held at the Sheraton Inn in Missoula, February 18-21 drew a registration of 525, plus about 40 children from the Missoula area. This year's co-sponsors were the Montana Aeronautics Division, the Montana Airport

Management Association and the Montana Pilots Association.

Governor Schwinden opened the conference at the kick-off luncheon on February 19, and Keith Colbo welcomed participants on behalf of the Department of Commerce. The confer-

ence featured nationally recognized speakers, an aviation trade show with exhibitors from across the country and sessions on subjects appealing to a wide range of aviation interests.

The Aeronautics Division initiated the first Aviation Conference in 1985. Since that time, it has grown each year and is met with great enthusiasm by the Montana aviation community. The conference has become an important time for aviation interests to discuss mutual concerns and to achieve a better understanding of each other's goals. It also provides valuable education for the general public about the importance of aviation to the economic well-being of the country.

## PATENT AND TRADEMARK SEMINAR

A seminar on access to U.S. patent information by the U.S. Patent & Trademark Office will be held at the Copper King Inn in Butte on Wednesday, April 29, 1987, from 8 a.m. to 5 p.m. The seminar will be co-sponsored by the Montana College of Mineral Science and Technology library and the Montana Library Association.

Instructors and presenters from the U.S. Patent Depository Library will discuss such topics as what a patent is, the value of a patent collection, the structure and uses of the U.S. patent classification system, tools used to access technological information contained in U.S. patents, the on-line patent information system (CASSIS), and the Patent Depository Library program.

The seminar fee is \$30 for those who preregister and \$35 on the day of the seminar. For preregistration forms or more information call Jean Bishop at the Montana Tech Library in Butte at 406/496-4281.

The Montana Tech Library is one of 60 patent depository libraries in the United States. The information at the library is available to the public, inventors and people interested in new business developments.

# MONTANA PERSONAL INCOME 1986

According to preliminary data released April 16 by the U.S. Bureau of Economic Analysis, Montana's total personal income (income received by persons from work, property ownership, and government transfers) in 1986 grew by 7.5%, one of the highest rates in the country. Montana's per capita (per person) income increased by 8.4%, the largest increase of any state in the nation.

The principal reason for the large gain in personal income was the dramatic increase in farm proprietors' (self-employment) income. Farm proprietors' income was estimated at —\$165 million in 1985, partly due to the extensive drought that affected Montana in that year. The preliminary estimate of farm proprietors' income for 1986 was \$376 million, an increase of about \$550 million. This is a very significant increase within the state's total personal income level of between

\$9 and \$10 billion. The major reasons for the increase were a recovery from the drought and higher federal farm subsidy payments.

Another important factor in Montana's personal income growth was the increase in government transfer payments of about \$100 million. A detailed breakdown of transfer payment increases is not currently available. (Social Security disbursements are the largest component of transfer payments.)

The property income component (dividends, interest, and rent received by persons) declined slightly between 1985 and 1986 in Montana. This probably was related to a decline in interest rates nationally.

The largest component of personal income, non-farm earnings, grew at a rate of 0.9%, or about \$50 million. A combination of increases and decreases in Montana's non-farm sectors resulted

in this overall increase which, after adjusting for inflation, becomes a slight "real" decrease in non-farm personal income. Major increases were concentrated in private services (business, health, and lodging services); along with local education; finance, insurance, and real estate; and nondurable manufacturing (principally food processing and apparel). The principal declines occurred in mining (oil and gas exploration activity related to a dramatic decrease in the world price of crude oil), construction (building and related special trade contractors), wholesale trade, and durable manufacturing (wood products, primary metals processing, and electrical machinery).

## Can We Help You?

Keith L. Colbo, <i>Director</i>	444-3797
Business Assistance Division, Carol Daly, <i>Administrator</i>	444-3923
Business Regulation Division, W. James Kembel, <i>Administrator</i>	444-3737
Legal Unit and Consumer Affairs, Brinton Markle, <i>Chief Counsel</i>	444-4314
Local Government Assistance Division, Newell Anderson, <i>Administrator</i>	444-3757
Montana Board of Housing, Dick Kain, <i>Administrator</i>	444-3040
Montana Economic Development Board, Robert Pancich, <i>Administrator</i>	444-2090
Montana Health Facility Authority, Jack Nielson, <i>Administrator</i>	444-5435
Office of Economic Analysis, Steve Huntington, <i>Administrator</i>	444-3814
Montana Promotion Division, John Wilson, <i>Administrator</i>	444-2654
Montana Science and Technology Alliance, Samuel Hubbard, <i>Executive Director</i>	444-3707
Aeronautics Division, Michael Ferguson, <i>Administrator</i>	444-2506
Financial Division, Fred Flanders, <i>Administrator</i>	444-2091
Transportation Division, William Fogarty, <i>Administrator</i>	444-3423
Management Services Division, Andy Poole, <i>Administrator</i>	444-5432
Coordinator of Indian Affairs, Donald Clayborn, <i>Coordinator</i>	444-3702
Lottery Division, Diana Dowling, <i>Director</i>	444-5825

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